

Roadmap to Economic Justice

A strategy to empower, develop, and transform the City of St. Louis through a vibrant, just and growing economy in which all people can thrive

APRIL 2022



Prepared by the St. Louis Development Corporation ("SLDC") and the Office of the Mayor of St. Louis

An Introduction from Mayor Tishaura O. Jones



In the 1950's, my grandparents bought a home in Wells-Goodfellow, where they raised their thirteen children. We called it "the Big House," and it was the center of our family's universe. After my grandparents passed, my aunts and uncles raised their families there, too. My parents got married in the living room. Families, Black and white, lived in a community where we felt supported and safe—even if we weren't rich.

My grandparents' home isn't standing anymore. It was struck by lightning and burned down. The neighbors have all left, and our once-thriving neighborhood has fallen on hard times. This was no accident: redlining, racist homeowner policies, and decades of intentional disinvestment have deepened the Delmar Divide and made neighborhoods on both sides less prosperous and less safe. Recognizing and reversing these historic wrongs is not just a moral necessity; it is a practical one.

I ran for mayor to ensure that every neighborhood in St. Louis can thrive, and we cannot succeed as a city if we allow over half to fail. Building a more equitable St. Louis starts with investing directly in people and communities—particularly our most marginalized. Between 2010 and 2020, thousands of Black St. Louisans left the city in search of better opportunities for their families. Addressing the racial disparities in real estate, business, and employment will lay the foundation for growth in every one of our neighborhoods. Equitable development is necessary to reverse decades of population decline and make St. Louis a place where families want to live and grow.

It will also make our city safer across the board. Poverty is the father of crime, fueling cycles of violence that echo across St. Louis. To put a stop to these tragedies, to make our city safer, and to continue attracting talent and businesses, we must address root causes of crime with a holistic plan that includes economic empowerment and development.



Introduction (Cont.)

President Joe Biden’s American Rescue Plan Act ("ARPA") presents us with a once-in-a-lifetime opportunity to make long-term investments that will transform St. Louis for generations, making our city a safer, more equitable place. Despite these significant resources, this task cannot fall on the shoulders of the City government alone. Turning back decades of disinvestment will require deeper partnerships with financial institutions, non-profit anchors, corporations, foundations, and other organizations to leverage and multiply the investment of public dollars. It will take all of us—together—to right this ship.

We have a remarkable opportunity before us, and we must seize it. This document outlines my administration’s vision for equitable development across zip codes and racial lines, and I am excited to work alongside all of our city stakeholders to make it a reality.



Historic Investment for an Equitable Future

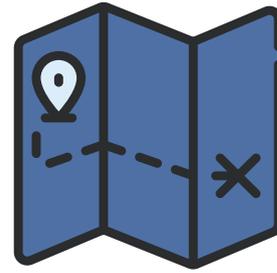
On April 19, 2022, Mayor Jones committed \$150M in ARPA funds to North City—increasing the City of St. Louis’ overall commitment towards economic justice efforts to \$246M.

The initiatives detailed in this roadmap will yield significant social and financial returns, including attracting new residents, expanding our tax base, and improving economic, health, and educational outcomes for all St. Louisans.

Under ARPA, we have a responsibility to invest dollars towards eligible uses in full compliance with federal procurement standards, which call for open and competitive selection processes. While "general economic development" does not constitute an eligible use of ARPA funds, Treasury’s Final Rule provides that ARPA funds may be used for affordable housing, small business assistance, job training, improvements to vacant properties, and stabilization of schools, hospitals and childcare facilities.

The Final Rule also encourages cities to use ARPA funds to address the negative economic impacts experienced by communities hit hardest by the COVID-19 pandemic—including households in qualified census tracts ("QCTs"). These eligible uses form the starting point for our [Economic Justice Action Plan](#).

Economic Justice Action Plan



5 PRIMARY GOALS

strengthen neighborhoods	eliminate the wealth gap	improve health & educational outcomes	expand the tax base	grow the City's population
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3 PILLARS

The Economic Justice Action Plan proposes an unprecedented investment in marginalized communities in St. Louis—particularly North City—and is comprised of three strategic pillars: *economic empowerment*, *equitable & inclusive development*, and *neighborhood transformation*. Each pillar is critical to the future of our city and the region at large.

EMPOWER	DEVELOP	TRANSFORM
<ul style="list-style-type: none"> + business empowerment + workforce development + educational justice 	<ul style="list-style-type: none"> + incentive reform + site assembly & development + commercial corridor revitalization 	<ul style="list-style-type: none"> + neighborhood capacity building + vacancy & environmental justice + housing accessibility
<p>\$31M initial ARPA commitment</p> <p>+</p> <p>\$30M phase 2 commitment</p> <p>=</p> <p>\$61M investment in Economic Empowerment</p>	<p>\$27M initial ARPA commitment</p> <p>+</p> <p>\$50M phase 2 commitment</p> <p>=</p> <p>\$77M investment in Equitable & Inclusive Development</p>	<p>\$38M initial ARPA commitment</p> <p>+</p> <p>\$70M phase 2 commitment</p> <p>=</p> <p>\$108M investment in Neighborhood Transformation</p>

totaling **\$246 MILLION** invested in economic justice before December 31, 2024.

The City's ARPA commitment will leverage additional **public** (federal and state grants), **private** (mortgages, business and commercial loans, and tax credit equity), and **philanthropic** (grants, long-term capital, and social impact loans) investments in the region.

“The City of St. Louis will achieve its greatest economic growth when all residents, businesses, and neighborhoods have equitable opportunities to reach their potential.

- Neal Richardson // Executive Director, SLDC



Photo by Wiley Price

Economic Empowerment

Invest in an ecosystem that provides *opportunities for businesses* to **launch, grow**, and **sustain** their operations. Create the workforce of the future through mentorship, training, and quality jobs.

SMALL BUSINESS EMPOWERMENT & SUPPORT

Build a World-Class Small/Women/Minority-Owned Business Ecosystem



- + Establish **economic empowerment centers** in QCTs in St. Louis
- + Build **technical assistance programs** to assist small, minority, and woman-owned businesses ("S/W/MBEs") with certification, licensing, tax support, marketing, legal, and other professional services
- + Establish a **revolving loan fund** to provide S/W/MBEs and non-profits with low-interest loans and long-term capital to start up, mobilize projects, and scale operations
- + Design a **community-based real estate program** to provide WMBE developers with access to capital, technical assistance, and mentorship to ensure buildings are redeveloped for and by neighborhood residents/businesses

WORKFORCE DEVELOPMENT

Train & Connect Workforce to Quality Jobs



- + Expand the **training, accreditation and apprenticeship pipeline** for healthcare professionals, education professionals, CDL-licensed drivers, advanced manufacturing, and the geospatial industry
- + Form **strategic partnerships with major employers and educational institutions** in the St. Louis region to win federal grants (i.e. Good Jobs Challenge) and facilitate job connections for youth and residents
- + Partner with the St. Louis Agency on Training and Employment ("SLATE") to **connect contractor training programs** to SLDC/City-funded or incentivized jobs, including lot maintenance, home repair, major rehab, new construction, and major development projects
- + Focus on the **expansion of commercial and industrial development** in employment centers to bring middle-wage jobs to the City of St. Louis

EXPAND EDUCATION

Expand Access to Quality Education and Economic Opportunity for All Ages



- + Partner with SLATE, St. Louis Public Schools, and St. Louis Youth Jobs to **build a year-round youth-to-jobs program**
- + Promote educational institutions as community anchors by **acquiring and redeveloping vacant schools for economic advancement** of historically marginalized youth, businesses, and neighborhoods
- + Develop a College Promise program to **provide all graduating high school seniors with financial support** for post-secondary education and/or short-term certification programs free of charge
- + Invest in adult **education and literacy**, including technology training and digital literacy programs to enable participation in the 21st-century economy and help bridge the digital divide

Equitable & Inclusive Development

Leverage real estate development and business retention, expansion, and attraction ("BREA") efforts to catalyze *equitable* and *inclusive economic growth*.

ECONOMIC DEVELOPMENT INCENTIVE REFORM



Design an Equitable, Transparent and Accountable Economic Incentive Model

- + Establish consistent **principles** (city as an active investor; public dollars should help fund public goods), **policies** (tax abatement base indexed to inflation; TIFs to include infrastructure fund contribution; updated financial model and incentive map) and **processes** (developer vetting; equity/sustainability scorecard; public input) to ensure all incentivized and subsidized real estate development and BREA projects are aligned with Economic Justice Action Plan priorities
- + Incorporate **public input** (inclusive of SLPS) and **community benefits** (first source hiring; affordable/workforce housing; green infrastructure) into major real estate development and BREA projects
- + Update **redevelopment agreements** to include enforceable WMBE standards, clawbacks, and robust reporting requirements (audited construction costs; operating proformas; financial agreements)
- + Perform City of St. Louis and St. Louis County **disparity study** to **revise WMBE and workforce development requirements**/ordinances for real estate development projects over \$1M
- + Invest in **data** and **transparency** (require SLDC board meetings to be recorded and published online; develop a city-wide property registry; create and publish a city-wide development and community asset map)

PROACTIVE SITE ASSEMBLY & DEVELOPMENT



Identify, Assemble, and Stabilize Property to Attract Catalytic Development

- + Acquire underutilized and poorly maintained private property for **redevelopment of contiguous sites to meet community needs**
- + Proactively **market parcels and development opportunities** identified as priorities to developers with incentives attached to **community-approved projects** (grocery stores; early childcare centers; recreation centers; hardware stores, retail centers, etc.)
- + Assemble, clear, and remediate land and fund site preparation and strategic infrastructure associated with industrial real estate sites to **attract large-scale development and job centers**

COMMERCIAL CORRIDOR REVITALIZATION



Remove Barriers and Expand Equitable Access to Economic Growth through the Development of Commercial Corridors

- + Invest in **infrastructure improvements** (i.e. Brickline Greenway and North/South Metrolink route to link commercial corridors)
- + Develop the MLK corridor into an innovation, cultural arts, and business district that promotes the **advancement of Black residents and businesses**
- + Support **commercial development** in the core of Downtown, Downtown West, and Near North Side
- + Eradicate the digital divide in QCTs by placing fiber to **expand consistent, reliable, and affordable access to high-speed broadband**

Neighborhood Transformation

Leverage community assets to *transform* physical, social, and economic aspects of *historically disinvested and marginalized neighborhoods* to build their *collective capacity* and *wealth-building opportunities*.

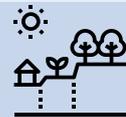
NEIGHBORHOOD CAPACITY BUILDING



Invest in Neighborhood Planning and Community-Driven Implementation

- + Hire 7-10 **neighborhood managers** to support neighborhood planning process and align financial resources and partnerships for implementation of community-driven plans
- + Strengthen **neighborhood-based organizations and community development corporations** ("CDCs") in QCTs through grants, forgivable loans, organizational capacity support, and mentorship with established and sustaining organizations
- + Work with community partners to **identify priority buildings for stabilization and development** (Wellston Loop Station; Cleveland High School-SLPS; Club Imperial; Sara Lou; Goodfellow Federal Center; Municipal Courts Building; Soulard Market) and **support projects that meet community needs**
- + Expand investment in Missouri Main Street program to **empower residents to drive commercial development** along streets and community nodes (Delmar; Laclede's Landing; Dutchtown; North Grand)

VACANCY & ENVIRONMENTAL JUSTICE



Transform the City's Vacant Land From a Liability Into an Asset

- + **Modernize LRA/the St. Louis Land Bank** (reorganize, restructure and properly staff LRA; build data technical capacity in order to increase transparency, promote strategic land use, and integrate LRA data with city services)
- + Fund land maintenance and clean-up, environmental remediation, and clearing of vacant properties for strategic redevelopment and empower **neighborhood-based organizations' participation and inclusion in the stewardship of LRA properties**
- + Fund vacant building **stabilization through preservation and rehabilitation** when possible, and quality demolition or deconstruction when necessary, **prioritizing historic buildings and neighborhoods** by providing grants and forgivable loans for historic projects and establishment of historic districts
- + Invest in **urban agriculture, community open spaces, greenways, and green infrastructure**.
- + Strengthen the LRA garden lease program and work with neighborhood organizations to **protect and develop community-driven food production**
- + Improve city code enforcement by **proactively connecting residents with resources** to resolve violations and **building capacity** to effectively address problem properties and combat predatory speculation

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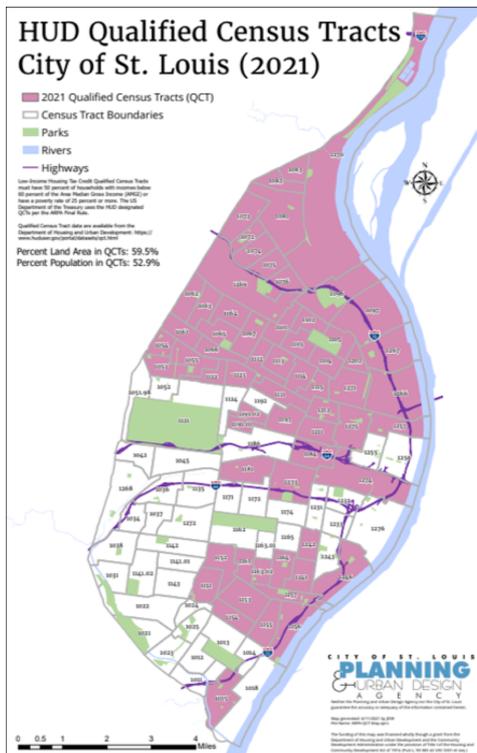
Neighborhood Transformation (Cont.)

HOUSING ACCESSIBILITY



Expand Access to Homeownership and Safe, Stable and Affordable Housing

- + Establish a **greenlining fund** to provide down-payment assistance for eligible prospective homeowners (must have household income below 80% AMI and/or seeking to buy in a QCT)
- + Offer **mortgage assistance in historically redlined neighborhoods** to promote market-rate homeownership and rental opportunities in QCTs to public sector employees and individuals who moved from the City of St. Louis since 2010
- + Fund the **production and preservation of housing** as diverse as our city (including single family homes, permanent supportive housing, tiny homes, mixed income/mixed use, duplexes, etc.)
- + Design an inclusionary housing incentive policy to **support the development of mixed-income neighborhoods** by promoting workforce and low-income rental housing units in areas outside of QCTs
- + Invest in **anti-displacement efforts** (home repair, landscaping, rental/mortgage/property tax assistance programs, aging-in-place initiatives, etc.) to **retain long-term City residents** (>10 years), **low-to-moderate income residents**, and **elderly households**



Prioritizing Qualified Census Tracts

In its Final Rule, Treasury encourages cities to commit ARPA funds to addressing the disparate impacts of the COVID-19 pandemic on households in QCTS—census tracts with incomes below 60% of the Area Median Gross Income ("AMGI") or a poverty rate of 25% or higher.

In the City of St. Louis, 59.2% of our geography and 52.9% of our residents live in QCTs, elevating the importance of prioritizing economic justice.

Economic Justice in Action

A representative sample of SLDC projects aligned with the *Economic Justice Action Plan*.

ECONOMIC EMPOWERMENT



Approved creation of the Northside Economic Empowerment Center at Sumner High School



Allocated \$4.5M in ARPA funds to provide small businesses with grants up to \$5K



Provided Freddie Lee's Gourmet Sauce (a Black-owned business) with capital to purchase a manufacturing facility in Carr Square neighborhood

EQUITABLE & INCLUSIVE DEVELOPMENT



Fostered a partnership between the St. Louis Public School Foundation and Deli Star to train and recruit SLPS students and alumni for ~500 new manufacturing jobs



Negotiated a deal wherein City Foundry STL will contribute \$1.8M to the St. Louis Affordable Housing Trust Fund



Ensured the inclusion of affordable and low-income housing units in The Edwin, a six-story, mixed-use development anchored by a new Target

NEIGHBORHOOD TRANSFORMATION



Launched Project Connect, a community-driven planning effort across the six neighborhoods surrounding NGA West focused on ensuring neighborhood input shapes the development process



Allocated \$10M from ARPA to fund local WMBE developers building for-sale houses in QCTs, ensuring that buildings are redeveloped for and by residents



Worked with regional partners to convert a vacant block into a community-owned park to include an amphitheater, exercise equipment, a basketball court, art installations, and more

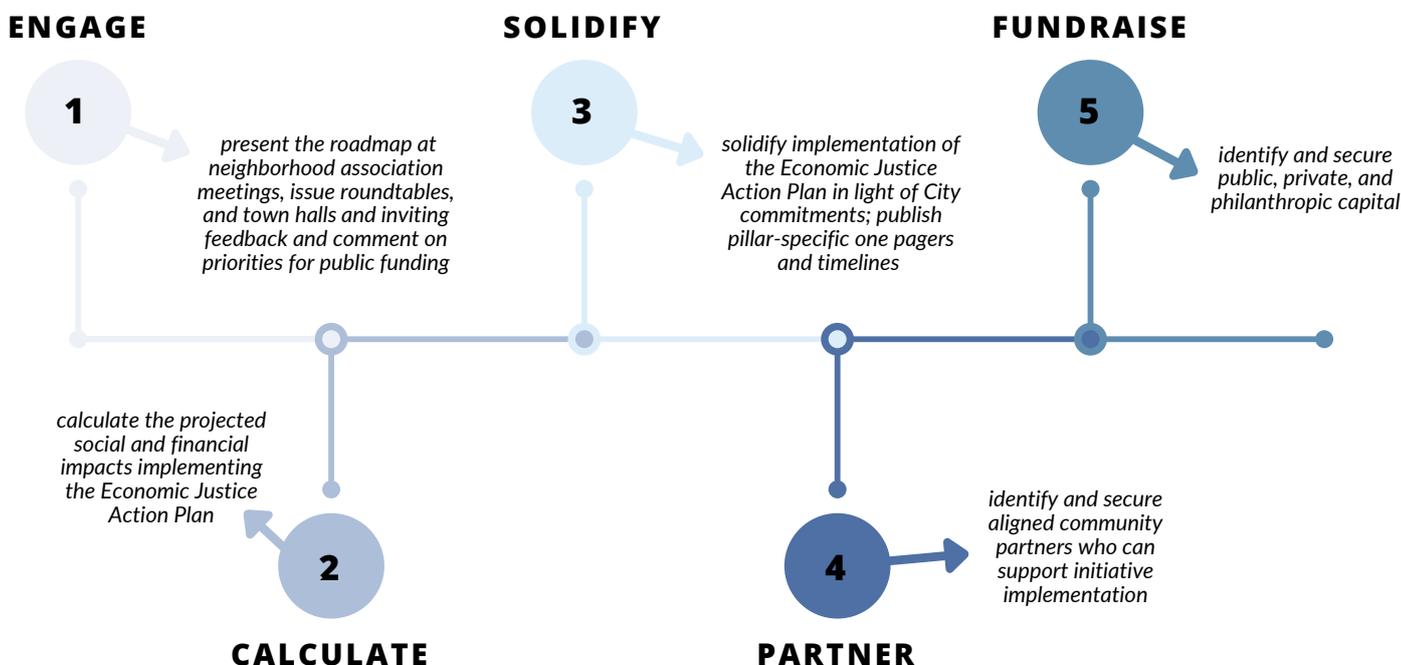
Reimagining the Future of St. Louis

Racial disparities—typified by the Delmar Divide—have long precluded fair and equal access to opportunities in our City. In order to build a more prosperous St. Louis for all, we must address these historic inequities when designing an economic development strategy for our future.

The three-pillar *Economic Justice Action Plan* outlines concrete ways St. Louis can effectively leverage public, private, and philanthropic investments and strategic partnerships to drive sustainable, equitable growth across racial lines.

Next Steps

Implementing the *Economic Justice Action Plan* begins with taking the five steps outlined below.



Thank you.

Through executing the strategies set forth in the *Economic Justice Action Plan* outlined above, we can shape new horizons for St. Louis residents, businesses, and neighborhoods and set a new, equity-centered standard for economic development.

